

SETTLEMENT AGREEMENT AND MUTUAL RELEASE  
ADMINISTRATIVE CIVIL LIABILITY COMPLAINT NO. R4-2009-0001

In the matter of:

**The City of Torrance**  
**3031 Torrance Boulevard**  
**Torrance, CA 90505**

---

)  
)  
) Settlement Agreement  
) And Mutual Release  
)  
)

This Settlement Agreement and Mutual Release (Agreement) is made by and between the Assistant Executive Officer of the Regional Water Quality Control Board, Los Angeles Region (Regional Water Board), on behalf of the Regional Water Board Prosecution Team and the City of Torrance (collectively referred to as "Parties"). The Parties enter into this Agreement because it is their collective desire to settle the violations alleged in Administrative Civil Liability Complaint No. R4-2009-0001 in order to avoid the expense and uncertainty inherent in an administrative enforcement proceeding and potential litigation.

THE UNDERSIGNED PARTIES EXECUTE THIS AGREEMENT WITH  
REFERENCE TO AND IN CONTEMPLATION OF THE FOLLOWING FACTS:

1. On or about January 30, 2009, the Chief Deputy Executive Officer of the Regional Water Board issued Administrative Civil Liability Complaint No. R4-2009-0001 (Complaint) which proposed to assess administrative civil liability against the City of Torrance in the amount of \$87,455 for violation of the NPDES General Permit for Storm Water Discharges Associated with Industrial Activities (Order No. 97-03-DWQ; CAS000001) and Los Angeles Municipal NPDES Storm Water Discharge Permit (Order No. 01-182, NPDES No. CAS004001).
2. The Parties have reached a settlement agreement that includes the issuance of an Administrative Civil Liability Order (Order) imposing liability in the amount of \$52,455. The proposed Order is included hereto as Attachment A.
3. Upon adoption by the Regional Water Board, or its delegee, the attached proposed Order represents a final and binding resolution and settlement of all claims, violations or causes of action alleged in the Complaint, or which could have been asserted by the Regional Water Board Prosecution Team based on the specific facts alleged in the Complaint, against the City of Torrance as of the effective date of the Order.
4. In order to facilitate the approval of the proposed settlement, and to carry out its terms, the Parties desire to enter into the following agreement.

NOW, THEREFORE, in exchange for their mutual promises and for other good and valuable consideration specified herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

5. The City of Torrance enters into this Agreement without the admission of any fact or the adjudication of any issue in this matter and, by entering into this Agreement, the City of Torrance is not admitting to liability of any of the alleged violations. However, this Agreement and the attached proposed Order, upon adoption, may be used as evidence of a prior enforcement action in any future actions by the Regional Water Board against the City of Torrance.
6. The City of Torrance agrees that the Regional Water Board has subject matter jurisdiction over the matters alleged in the Complaint and personal jurisdiction over the City of Torrance.
7. The City of Torrance agrees to waive its right to a hearing before the Regional Water Board within 90 days of the date of issuance of the Complaint.
8. The Parties agree to support, advocate for, and promote the attached proposed Order before the Regional Water Board, or its delegee, to the extent that such advocacy is permitted.
9. The Parties covenant and agree that they will not contest the attached proposed Order before the Regional Water Board, the State Water Resources Control Board, or any court.
10. The City of Torrance agrees that administrative civil liability in the amount of \$52,455 will be imposed on it upon adoption by the Regional Water Board, or its delegee, of the attached proposed Order, to be satisfied as follows:
  - a. Within thirty (30) calendar days of receiving written or verbal notice from the Regional Water Board that the proposed Order has become effective, the City of Torrance shall pay \$52,455 to the State Water Resources Control Board for deposit into the Cleanup and Abatement Account.
11. The Parties agree that this Agreement and the attached proposed Order will be circulated for a 30-day public comment period prior to being presented to the Regional Water Board, or its delegee, for adoption. If the Assistant Executive Officer receives significant new information that reasonably affects the propriety of presenting the attached proposed Order to the Regional Water Board for adoption, the Assistant Executive Officer may unilaterally declare this Agreement void and decide not to present the proposed Order to the Regional Water Board. The City of Torrance agrees that it may not rescind or otherwise withdraw its approval of this Agreement.
12. In the event that this Agreement does not take effect because it is not approved by the Regional Water Board or its delegee, or is vacated in whole or in part by the State Water Resources Control Board or a court, the Parties

acknowledge that they expect to proceed to a contested evidentiary hearing before the Regional Water Board to determine whether to assess administrative civil liabilities for the underlying violations, unless the Parties agree otherwise. The Parties agree that all oral and written statements and agreements made during the course of settlement discussions will not be admissible as evidence in the hearing. The Parties also agree to waive any and all objections related to their efforts to settle this matter, including, but not limited to: (1) objections related to prejudice or bias of any of the Regional Water Board members or their advisors and any other objections that are premised in whole or in part on the fact that the Regional Water Board members or their advisors were exposed to some of the material facts and the Parties' settlement positions as a consequence of reviewing this Agreement, and therefore may have formed impressions or conclusions, prior to conducting any contested evidentiary hearing on the Complaint in this matter; or (2) laches or delay or other equitable defenses based on the time period that the order or decision by settlement may be subject to administrative or judicial review.

13. The Parties intend that the procedure that had been adopted for the approval of the settlement by the Parties and review by the public will be adequate. In the event procedural objections are raised prior to the attached proposed Order becoming effective, the Parties agree to meet and confer concerning any such objections, and may agree to revise or adjust the procedure as necessary or advisable under the circumstances.
14. Each Party executing this Agreement in a representative capacity represents and warrants that he or she is authorized to execute this Agreement on behalf of and to bind the entity on whose behalf he or she executes the Agreement.
15. This Agreement shall not be construed against any Party preparing it, but shall be construed as if the Parties jointly prepared this Agreement and any uncertainty and ambiguity shall not be interpreted against any one Party.
16. Each Party to this Agreement shall bear all attorney's fees and costs arising from that Party's own counsel in connection with the matters referenced herein, and any other costs incurred in defense or settlement of the proposed enforcement action.
17. The Parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement, including the delivery of any documentation reasonably requested by the Regional Water Board to ensure that the terms of the Agreement are being complied with.
18. This Agreement shall not be modified by any of the Parties by oral representation made before or after the execution of this Agreement. All material modifications must be in writing and signed by the Parties.

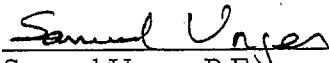
19. This Agreement shall be executed as duplicate originals, each of which shall be deemed an original Agreement, and all of which shall constitute one agreement.
20. This Agreement is entered into and shall be construed and interpreted in accordance with the laws of the State of California.
21. Notices and correspondence concerning this Agreement shall be sent by overnight or certified mail to the following addresses. Any Party may notify the other of a change of notice address by letter sent by overnight or certified mail.

For the City of Torrance:  
Mr. LeRoy Jackson  
City of Torrance  
3031 Torrance Boulevard  
Torrance, CA 90505

For the Regional Water Board:  
Mr. Samuel Unger, P.E.  
Assistant Executive Officer  
California Regional Water Quality Control Board, Los Angeles Region  
320 W. 4<sup>th</sup> Street  
Los Angeles, CA 90013

IN WITNESS HEREOF, the Parties hereto have executed this Agreement as of the date set forth below.

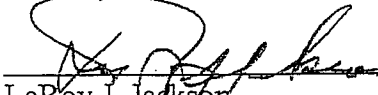
For the Regional Water Board:

  
\_\_\_\_\_  
Samuel Unger, P.E.

Oct. 15, 2009  
(date)

Assistant Executive Officer  
On behalf of the Regional Water Board Prosecution Team

For City of Torrance

  
\_\_\_\_\_  
LeRoy J. Jackson  
City Manager

8 Oct. 2009  
(date)